Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ISO-00 FMC-04 FEA-02 CIAE-00

DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04

RSC-01 PRS-01 SPC-03 SS-20 USIA-15 COME-00 OMB-01

TRSE-00 INT-08 CG-00 DRC-01 /141 W

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P R 231020Z JAN 74 FM AMEMBASSY MANILA TO SECSTATE WASHDC PRIORITY 559 INFO AMEMBASSY TOKYO AMEMBASSY LONDON AMEMBASSY PARIS

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E.O. 11652: N/A

TAGS: ETRN, ENRG, RP

SUBJECT: BUNKER FUEL FOR US FLAG VESSEL: SS ANABELLE LYKES

REF MANILA 13695

BEGIN SUMMARY: LYKES BROS STEAMSHIP CO., " ANABELLE LYKES" VESSEL CALLING AT MANILA WAS GRANTED ONLY 3600 BARRELS OF REQUESTED 10,000 BARRELS BUNKER FOR DIRECT PASSAGE TO NEW ORLEANS. REFUSAL BY GOP TO GRANT FULL AMOUNT APPARENTLY BASED ON REGULATION THAT FOREIGN FLAG SHIPS CARRYING LESS THAN 50 PERCENT PHILIPPINE CARGO WILL BE GIVEN BUNKER PROPORTIONATE TO AMOUNT OF CARGO DESTINED TO OR FROM PHILIPPINES (REFTEL). VESSEL WAS SCHEDULED LEAVE MANILA JAN 23. LYKES AGENT ADVISES THAT VESSEL WILL PROCEED TO JAPAN IN SEARCH OF BUNKERS AND THAT LYKES WILL PROBABLY CONTACT DEPT FOR ASSISTANCE. WE RECOMMEND SENDING NOTE TO DFA IN CONCERT WITH OTHER CONCERNED GOVERNMENTS RE BUNKER DISCRIMINATION. ACTION REQUESTED: GUIDANCE LIMITED OFFICIAL USE

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IN TEXT OF NOTE WE MIGHT SEND. END SUMMARY

- 1. ON JAN 8 LYKES AGENT SUBMITTED REQUEST TO PHIL BUREAU OF CUSTOMS FOR EXCEPTIONAL ALLOCATION OF 10,500 BARRELS BUNKER FOR SHIP SCHEDULED TO ARRIVE JAN 21 AND DEPART JAN 23 FOR NEW ORLEANS, SHIP SCHEDULED TAKE ON 186,000 CU FT CARGO WHICH WAS 33 PERCENT OF CAPACITY OF VESSEL AND WHICH FULLY LOADED VESSEL.
- 2. LOCAL AGENT SUBMITTED REQUEST FOR BUNKERS SUFFICIENT TO REACH NEW ORLEANS. AGENT POINTED OUT THAT OF THREE LYKES VESSELS CALLING AT PHILIPPINES SINCE REGULATIONS LIMITING BUNKERING WENT INTO EFFECT IN OCTOBER THIS WAS FIRST TO BUNKER HERE. FURTHER, AVERAGE PHILIPPINE CARGO CARRIED BY THESE VESSELS 66 PERCENT. AGENT ALSO POINTS OUT THAT LYKES CARRIES 61 PERCENT OF PHILIPPINE GENERAL CARGO TO US GULF COAST.
- 3. IN MEETING WITH PETROLEUM OPERATIONS CENTER (POC) GOP AGENCY HANDLING APPEAL FOR BUNKERS ON JAN 21, AGENT AGREED TO REDUCE REQUEST TO 8800 BARRELS OR ENOUGH TO REACH BALBOA, PANAMA.
- 4. POC IN GRANTING 3600 BARRELS FUEL DID NOT SPECIFY REASON FOR NOT ALLOWING FULL AMOUNT BUT GOP REGULATION 4D (REFTEL) PROVIDES (FOR FOREIGN FLAG VESSELS) THAT IF "PHILIPPINE CARGO IS LESS THAN 50 PERCENT OF TOTAL CARGO ON BOARD, THE ALLOCATION SHALL BE PROPORTIONATELY REDUCED".
- 5. AGENT HAS ADVISED COMPANY TO SEEK TO ARRANGE BUNKERS IN JAPAN. VESSEL WILL DEPART MANILA AFTER LOADING BUNKER FUEL.
- 6. BRITISH EMBASSY HAS BEEN ASKED BY FOREIGN
 OFFICE TO CONSULT WITH MISSIONS OF MAJOR MARITIME
 COUNTRIES TO DETERMINE WHAT, IF ANY, REPRESENTATION
 WOULD BE EFFECTIVE IN SEEKING RESCINDING OF
 DISCRIMINATORY PROVISIONS OF PRESENT GOP REGUALTIONS
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FOR BUNKERING.

7. IN LIGHT OF OUTCOME OF LYKES CASE INDICATING THAT APPEAL PROCEDURE FAILS TO PROVIDE RELIEF FROM DISCRIMINATION AGAINST FOREIGN FLAG VESSELS, WE EMB BELIEVES SHOULD IN CONCERT WITH BRITISH SEND NOTE TO DFA ASKING THAT DISCRIMINATORY PROVISIONS BE LIFTED. FRENCH EMBASSY HAS ALSO REPORTED THAT OECD HAS RAISED POSSIBILITY OF JOINT APPROACH TO GOP ON SUB-

JAECT, AND WE SUGGEST JAPANESE BE SOUNDED OUT RE JOINING IN APPROACH. WE WOULD CITE LYKES CASE AND U.S. REGULATIONS WHICH ALLOW FOR MODIFICATION BY FEO TO ENCOURAGE RECIPROCAL NON-DISCRIMINATION. REQUEST GUIDANCE ON TEXT OF NOTE EMBASSY MIGHT SEND.
SULLIVAN

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